

210 Park Avenue Suite 1130 Oklahoma City, OK 73102 405.606.7481 (office) 405.606.7483 (fax)

November 17, 2011

Ms. Christina Mashunkashey Osage Nation UIC 100 W. Main St. Ste 304 Pawhuska, Oklahoma 74056

Re: Well Permit Application

Dear Christina,



Enclosed are the forms of the Application for Operation of Report on Wells for a new well (Tremors #3) to be drilled in the NW/4 of Section 24-25N-2E, Osage County, Oklahoma. Enclosed with the blue form is the required information relating to our casing, cement and mud program, proposed total depth, well plat, wellbore schematic, and notification statements. I have also enclosed the Archeological Survey Report prepared by Briscoe-Szarka Consulting Services, together with a well survey. We have also sent the application to the BIA for their approval to drill the well.

We have been in contact with the surface owner and the surface tenant, and have conducted a site visit to stake the well and discuss the access road. We have sent the surface owner the commencement payment.

Please let us know if you need anything else from us.

Sincerely,

Frank Schroeder

## UNITED STATES DEPARTMENT OF THE INTERIOR

P.O. BOX 1539

PAWHUSKA, OKLAHOMA 74056

	Date
D(6) APPLICATION FOR OPERATION	ON OF REPORT ON WELLS
	\$30000
(	(Date) (Amount)
7	(ranount)
Well No. 3 is located 2274 ft. from \{ S} line and \( \ll \)	$124$ ft. from $\{E\}$ line.
NW/4 Sec 24 25N	7. Osaga Caunty Old-t
(1/4 Section & Section No.) (Township)	(Range) Osage County, Oklahoma.
The elevation of the surface derrick floor above sea level is	99 ft.
USE THIS SIDE TO REQUEST AUTHORITY FOR WORK	LIGHTING CIDE TO DEPORT COLOR TOTAL
(three copies required)	USE THIS SIDE TO REPORT COMPLETED WORK (one copy required)
Notice of intention to:	Character of well (Whether oil, gas or dry)
Drill	or will ( whether on, gas or dry)
Deepen or plug back	Subsequent report of:
Convert	Conversion
Pull or alter casing	Altering casing
Formation treatment	Plugging back
	Plugging
Details of Work	Details of Work & Results Obtained
Drilling application will state proposed TD & Horizons to be tested. Show size & ength of casings to be used. Indicate proposed mudding, cementing & other work. Plugging applications shall set forth reasons for plugging & detailed statement of proposed work.  Plugging will not commence until 10 days following approval date unless authority granted for earlier commencement.	Domino of Work of Results Obtained
A \$15.00 plugging fee is also required with each application to plug.	
Well production prior to work.	
bbls. oilbbls. wtr./24 hrs.	
	Work commenced 20 —
	(Continue on reverse side if necessary)
	This block for plugging information only  CASING RECORD
	Size In hole when Amount If parted
	started recovered Depth How
understand that this plan of work must receive approval in writing of the	
Osage Indian Agency before operations may be commenced.	ORIGINÁL TOTAL DEPTH Lessee:
Lessee: Cardinal River Energy I L.P.	Lessee.
ignature: SADO	Ву:
Title: President	Signature
	Subscribed and sworn to before me this day of20
Address: 210/04/ht/vc # 1180, 0kc, 0h 73/02	Notare But II
elephone: (405) 606 · 7481	My commission expires Notary Public

CRECO Operating, LLC Tremors #3 Osage County, OK

Proposed TD: 5200'

Casing program:

9 5/8" 36# J-55 Surface casing to 350' 7" 23# J-55 casing to 4400' Open hole (6 1/8") from 4400' to 5200'

Cement program:

Surface casing cemented to surface Production casing cemented to cover any productive or possibly corrosive formations

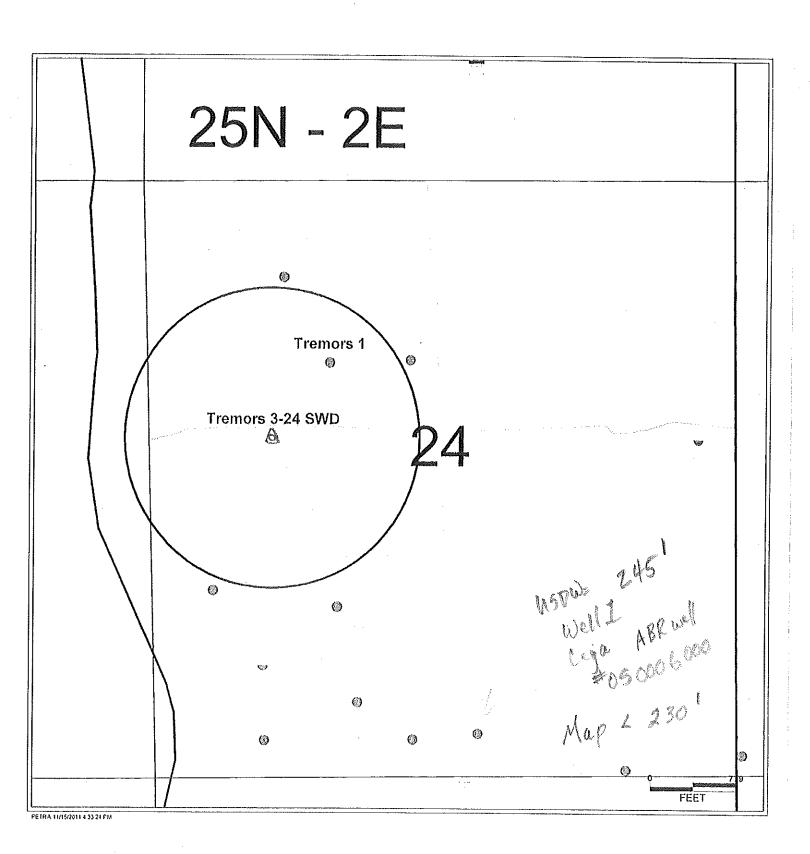
Mud program:

All mud will be a fresh water system

Productive formations:

Mississippi Lime Mississippi Chat Layton

Attn.
Jay Jimerson
Caron of



#### TABULATIONS OF WELLS WITHIN 1/4 MILE RADIUS OF PROPOSED INJECTION WELL

Well Name_	remors 1 Comp	any Name	RECO Operating, LLC Date I JW 14, Sec. 24, T_25 N, R_	Drilled 4/7/10	Depth_4///
			<u>/w/4, Sec. 24 , T 25 N, R</u>	2 E Status_	Riad
Elevation	914	_(GL/KB)			* .
Hole Size	Casing Size (inches)	Landed Depth (feet)	Cement & Additives Data	Top of Cement (feet)	If well is TA or PA Describe How:
12 1/4	85/8	330'	260 SX Class A	surface	7
77/8	51/2	4111'	260 SX Class A 270 SX Class H	2450'	
				1.5	
					4
Formations o	pen to wellbor	e: Layt	oh		
****	****	\ ******	**********	*******	******
*				1 ×	
			Date L		
				E Status_	
Elevation		_(GL/KB)			
Hole Size (inches)	Casing Size (inches)	Landed Depth (feet)	Cement & Additives Data	Top of Cement (feet)	If well is TA or PA Describe How:
	2)				
				L .	
- thinks					The tree to the tr
D					
Formations o	pen to wellbor	e:	3	The state of the s	7
****	******	*******	***********	*****	******
	Compa	nny Name	Date D	Prilled	Depth
Elevation	The second second second	(GL/KB)			
Hole Size (inches)	Casing Size (inches)	Landed Depth (feet)	Cement & Additives Data	Top of Cement (feet)	If well is TA or PA Describe How:
			n g é		2 P
	2		3 3		
12					
11 <sub>3</sub>	200		4 A		
	5				7.

Formations open to wellbore:

#### WELLBORE DIAGRAM

Company:

CRECO Operating, LLC

Lease:

**Tremors** 

Location: Survey:

Ct/St:

2274' FNL & 1124' FWL

Well No .: Sec:

#3 SWD NW/4 24-25N-02E

G.L.: 909

Osage, OK

K.B.:

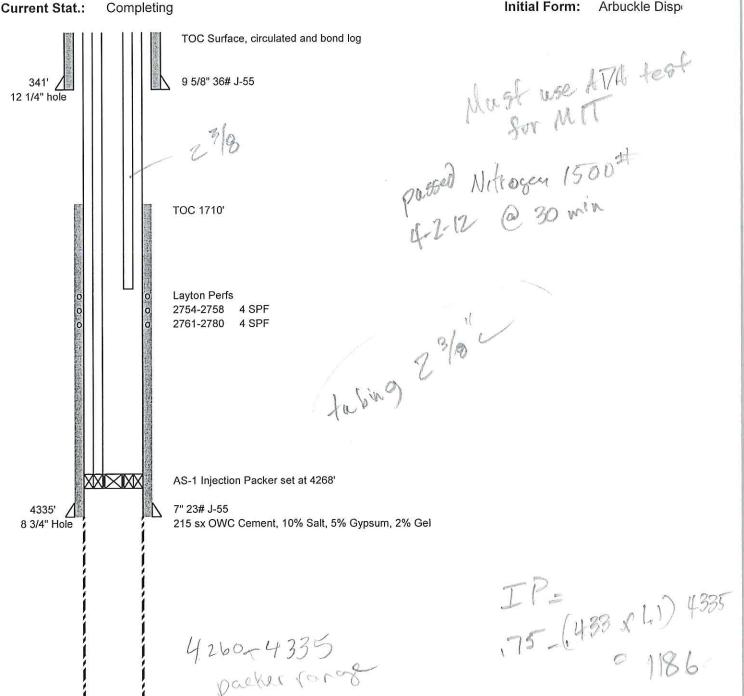
919 D.F.: 918 DATE: 11/15/11

Field:: Ponca City South

Spud: 2/10/12 Comp: 2/28/12

Initial Form: Arbuckle Disp

850 PSI



5210' 6 1/8" Hole Open Hole from 4335' to 5210' in Arbuckle

Pual completion code 5

065126586322

### **WELL OPERATION & GEOLOGICAL DATA**

Permit Number <u>05 6322</u> (for Osage UIC use only)

Type of Injection Well: 5WD	(New) Conver	sion / Authorized By Rule)
(EOR / SWD/ HC Storage)		
Injection:	N.A	25 000
Rate (B/D): Average 10,000 Fluid: Tds 248444 wg/L sp. Gr. 1.	iviaximum_	
Fluid: Ids 248444 wg/ L sp. Gr. 1.	Analyses	included: ( Yes (No)
Source (Formation name): Lanton + 1	1155, 4 Di	
Will anything be added to the water to be inju		
What will those additives be? <u>Scale</u>	LUNIDITOS	1000-FRAD
O. J. da Datas		
Geologic Data:		
All references to depths are below land s	ипасе.	40
Injection Intervals: <u></u> 4335′ to <u>52/0′</u> Formation Name <u>Arbucele</u> Litt	, D.J. 1	Dorocit: (9/) 579
Formation Name Arbucele Litt	1010gy DOLOMITE	_ Potosity (%) <u> </u>
Permeability (md)To Perforated or open hole interval \( \frac{433}{3} \)	otal formation thickness_	800 EST
Perforated or open note interval 433	s to 5210'	•
Farmatian Nama	aalaay	Paracity (%)
Formation NameLit Permeability (md)T	stal formation thickness	Follosity (78)
	nai ioimation trickness_	·
Perforated or open hole interval	A	·
Current Fluid Level in Well <u>390</u> ´_ft. (I	nelow land surface) and a	l or
Current Reservoir Pressure		
Drill Stem Test (Yes /(No)) If yes, attach co	Date	· · ·
Depth of nearest fresh water well(s)	ρy. ft	
Depth of flearest flesh water well(s)	) L.	
Facilities Associated with Injection Well:		
Adequate Berm around tank battery? (Yes/N	n )	
Leaking Flow Lines? (Yes / No.)	<i>3</i> /	
Ecaning Flow Emos. ( Foot 105)		
Formation:		
Top/Bottom From PBTD to Surface.		
Top/Bottom From Farb to Sunace.	,	
programme and the second secon		<del></del>
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### Proposed WELLBORE DIAGRAM

Company: CRECO Operating, LLC Lease: Well No.: Tremors #3 SWD DATE: 11/15/11 Location: 2274' FNL & 1124' FWL Sec: NW/4 24-25N-02E Field:: Ponca City South Survey: G.L.: Spud: K.B.: Ct/St: Osage, OK 909 D.F.: Comp: Current Stat.: Proposed Initial Form: TOC Surface, circulated and bond log 9 5/8" 36# J-55 12 1/4" hole coment (oughting about about 2500' TOC TBD or nitrogen to test casting integrity above the layton 4400 7" 23# J-55 8 3/4" Hole Amount Cement TBD

Open Hole from 4400' to 5200' in Arbuckle

5200'

6 1/8" Hole

### WELL OPERATION & GEOLOGICAL DATA

Permit Number	er	- atri	n 1
	(for Osage UIC use only)	1000	)
Type of Injection Well: 5WD/ HC Storage	(New) Conver	rsion / Authorized By Rule)	,000
Injection:			
Rate (B/D): Average 10,000	Maximum/	25,000	
Fluid: Tdssp. Gr	Analyses	Included: (Yes / No)	
Source (Formation name): Lanton	4 MISSINDI		
Will anything be added to the water to be	injected? (Yes)/ No )	м 	
What will those additives be?	Inhibitor		
Goologie Date			
Geologic Data:			
All references to depths are below lan	a surrace.	<u>*</u>	
Injection Intervals: <u>4400</u> to <u>520</u> Formation Name <u>Arbuckle</u>	1.00 ;	to	
Power a billion frame	Lithology Dolomite	_ Porosity (%) 870 est.	4
Permeability (md)	Total formation thickness_	800 est.	
Perforated or open hole interval	(00 - 5200		
Formation Name	Lithology	Parasity (%)	
Permeability (md)	Total formation thickness	1 orosity (76)	
Perforated or open hole interval	_ retail formation timokness_		
v shorated of open hole interval		· · · · · · · · · · · · · · · · · · ·	
Current Fluid Level in Well	ft (below land surface) and /	or	
Current Reservoir Pressure	Date	01	
Drill Stem Test (Yes / No ) If yes, attach	CODY		
Depth of nearest fresh water well(s)			
			•
Facilities Associated with Injection Well:			
Adequate Berm around tank battery? (Yes	/ No )		
Leaking Flow Lines? (Yes / No)	, , , ,		
· -			
Formation:			
Top/Bottom From PBTD to Surface.			
and the second of the second o	Ī		
	7		

#### **CERTIFICATION**

I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibilities of fine and imprisonment.

Name

Titla

\*If certification is signed by a party other than the injection well owner/operator a written statement of authorization signed by the owner/operator must accompany the application.

CRECO Operative, LLC	_ is applying for a permit for a Class II
(Operator Name)	
	ft. from [N S] line and
1124 ft. from [E Wilne, 1/W 34	25N LE,
The well will be used to inject 5alt Water in	(Twp.) (Rge.)
(Fluid Type)	(Formation Name)
for (disposal/enhanced recovery). The well operator	's address is 210 Park Ave,
Svite 1130 O'Clahana City, Oh 1	3102
(Street/P.O. Box/City/State/Zip	Code)
EPA may prepare a draft permit or a notice of intent preparation of a draft permit or intent to deny, there were for further information concerning the status of this a Osage UIC Office P. O. Box 1495 Pawhuska, Oklahoma 74056 Phone: (918) 287-5333	vill be an opportunity for public comments.
Notice Sent To: (Surface Owner) Tenant/Operator)  (6)	Circle one
City / State / Zip Code	
La Me III and La Caracteria Carac	
certify that the surface owner(s), the tenants on land operator of a producing lease within one-half mile of t notice/as required by 40 CFR \$147.2918.	where the injection well is located, and each he well location was mailed a copy of this
Millozer	11/12/11
Owner/Operator Signature)	(Date of Notice)
	1= 2.12 3. 1.0400)

CRECO Operative, LLC	is applying for a permit for a Class II
(Operator Name) 1 0	ed <u>2274</u> ft. from [ <b>N</b> S] line and
1124 ft. from [E Willing. NW 24	25N LE
(1/4 Sec. & Sec. No. The well will be used to inject <u>Salt Water</u>	into the Achichle
	13.102
(Street/P.O. Box/City/State/Zi	p Code)
EPA may prepare a draft permit or a notice of inten- preparation of a draft permit or intent to deny, there For further information concerning the status of this Osage UIC Office P. O. Box 1495 Pawhuska, Oklahoma 74056 Phone: (918) 287-5333	will be an opportunity for public comments
Notice Sent To: (Surface Owner Tenant)Operator    D(6)	r) Circle one
City / State / Zip Code	
I certify that the surface owner(s), the tenants on lan operator of a producing lease within one-half mile of notice as required by 40 CFR \$147.2918.	nd where the injection well is located, and each the well location was mailed a copy of this
C) / Icherts	11/12/11
(Owner/Operator Signature)	(Date of Notice)

CRECO Operative, LLC	is applying for a permit for a Class II
(Operator Name)	
injection well. Well No. 3 is located	
1124 ft. from [E W]line. NW 24	25N 1E
(1/4 Sec. & Sec. No.) The well will be used to inject 5alt Water into	
(Fluid Type)	(Formation Name)
for (disposal) enhanced recovery). The well operator's	address is 710 Park Ave,
Svite 1130 Orlahana City, Oh 731 (Streel/P.O. Box/City/State/Zip Co	
(Streeth to box/only/State/Zip Co	ode)
EPA may prepare a draft permit or a notice of intent to preparation of a draft permit or intent to deny, there will For further information concerning the status of this apposite of the content of the status of the concerning the concer	be an opportunity for public comments.
Notice Sent To: (Surface Owner/Tenant Operator)  Ceta Corporation  Name  1437 South Bulles # 1250  Address  Tulsa Oh 74119  City / State / Zip Code	Circle one
l certify that the surface owner(s), the tenants on land voperator of a producing lease within one-half mile of the notice as required by 40 CFR \$147.2918.  (Owner/Operator Signature)	where the injection well is located, and each well location was mailed a copy of this  11/17/11  Date of Notice)

CRECO Operative, LLC (Operator Name)	is applying for a permit for a Class II
injection well. Well No. 3 Is located	2274 ft. from [N S] line and
1124 ft. from [E Willine. NW 24 (1/4 Sec. & Sec. No.)	25N LF.
The well will be used to inject Salt Water inter-	o the Arbuchle
(Fluid Type) for (disposal/enhanced recovery). The well operator's Svitz 1130 Orlaham City, Oh 73 (Street/P.O. Box/City/State/Zip C	102
EPA may prepare a draft permit or a notice of intent to preparation of a draft permit or intent to deny, there wi For further information concerning the status of this ap Osage UIC Office P. O. Box 1495 Pawhuska, Oklahoma 74056 Phone: (918) 287-5333	If be an opportunity for public comments.
Notice Sent To: (Surface Owner/Tenant/Operator)  Sellers family Partnership  Name PO Box 730	Circle one
Address Sapulpa, Olu 74067 City / State / Zip Code	
I certify that the surface owner(s), the tenants on land operator of a producing lease within one-half mile of th notice/as required by 40 CFR \$147.2918.	where the injection well is located, and each e well location was mailed a copy of this
(Owner/Operator Signature)	(Date of Notice)

_
-



MIT in 2 weeks
about 2 weeks
n-14-12
passed MIT



210 Park Avenue Suite 1130 Oklahoma City, OK 73102

February 29, 2012

Mr. Arnold Bierschenk EPA 1445 Ross Ave 6WQSG Dallas, TX 75202-2733

Re:

UIC Permit Application – EMERGENCY A

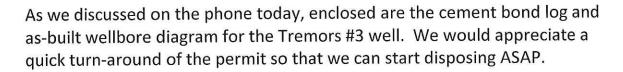
CRECO Operating, LLC

Tremors #3

Permit # OS-6322

NW/4 24-25N-02E

Dear Mr. Bierschenk,



Please let us know if you need anything else from us.

Sinceraly,

Frank Schroeder

RECEIVED
SOURCE WATER
PROTECTION BRANCI
12 MAR -5 AM 7: 34

TOPO AAPHIC LAND SURVEYORS OF OKLAHOMA
6709 NORIH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 \* LOCAL (405) 843-4847 \* OUT OF STATE (800) 654-3219
Certificate of Authorization 110. 1293
OSAGE
County, Oklahoma County, Oklahoma 2274 FNL - 1124 FWL 24 Township 25N Ronge Section GRID Scole: 1"= 1000' Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet, those shown in [brackets] are based on GLO (General Land Office) distances and have not been measured. This location has been very carefully staked on the ground according to the best official survey records, maps, and photographs available to us, but its accuracy is not guaranteed. Review this plot and notify us immediately of any possible discrepancy. Operator: CRECO, LLC **ELEVATION:** 909' Gr. at Stake Lease Name: TREMORS Well No.: 3-24 Topography & Vegetation Loc. fell in wheat field Reference Stakes or Alternate Location Stakes Set \_ None Good Drill Site? \_ Best Accessibility to Location ... From North Distance & Direction from Hwy Jct or Town From Jct. US Hwy. 177 and US Hwy. 60 at Ponca City, OK, go 1.5 mi. East on US Hwy. 60, then 3.1 rni. S-SE on Old River Road to the North Line of Sec. 24-T25N-R2E Date of Drawing: Apr. 30, 2010 ROFESSIONAL The following information was gathered using a GPS receiver Accuracy ±2-3 Meters. Invoice # 155179 Date Staked: Apr. 27, 2010 CERTIFICATE: DATUM: NAD-27 I, VIRGIL R. ROGERS LAT: 36'37'51.3"N I, VIRGIL R. ROGERS a Registered Land Surveyor and an authorized agent of Topographic Land Surveyors, VIRGIL R. ROGERS LONG: 97'02'43.1"W do hereby certify that the above described well location STATE PLANE was surveyed and staked on the ground as shown herein. COORDINATES: ZONE: OK NORTH EXECUTION P. TOTAL X: 2280144

Okláhoma Reg. No.

Y: 595058

TOPO **\PHIC LAND SURVEYORS OF OKLA!** ΛA .t.A. CITY, OKLA. 73116 \* LOCAL (405) 843-4847 \* OUT L. STATE (800) 654-3219 Cortificate of Authorization No. 1293 6709 NORTH CLASSEN BLVÉ OSAGE \_\_\_ County, Oklahoma 2274'FNL -- 1124'FWL 24 Township 25N Range 2E I.M. \_ Section \_\_ 227 1124 (366') **GRID** Scole: 1"= 1000' 11 11 This location has been very carefully stoked on the ground according Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet, those shown in [brackets] are based on GLO (General Land Office) distances and have not been measured. to the best official survey records, maps, and photographs available to us, but its accuracy is not guaranteed. Review this plot and notify us immediately of any possible discrepancy. **ELEVATION:** 909' Gr. ol Stoke Well No.: \_\_3-24

Operator: CRECO, LLC Lease Name: TREMORS Topography & Vegetation <u>Loc. fell in wheat field</u>

Reference Stokes or Alternate Location Good Drill Site? \_\_\_\_\_ Yes Stokes Set None

From North Best Accessibility to Location \_\_\_\_ Distance & Direction from Hwy Jct or Town From Jct. US Hwy. 177 and US Hwy. 60 at Ponca City, OK, go 1.5 mi. East on US Hwy. 60,

Invoice # 155179 Date Staked: Apr. 27, 2010

then 3.1 mi. S-SE on Old River Road to the North Line of Sec. 24-T25N-R2E

The following information was gathered using a GPS receiver
Accuracy ±2-3 Meters.
GPS '
DATUM: NAD-27

RKANSAS

LAT: 36'37'51.3"N LONG: 97'02'43.1"W

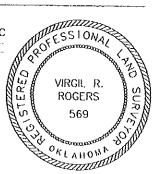
STATE PLANE COORDINATES: ZONE: OK NORTH X: 2280144 Y: 595058

CERTIFICATE: VIRGIL R. ROGERS a Registered Land Surveyor

and an authorized agent of Topographic Land Surveyors, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.

Date of Drawing: Apr. 30, 2010

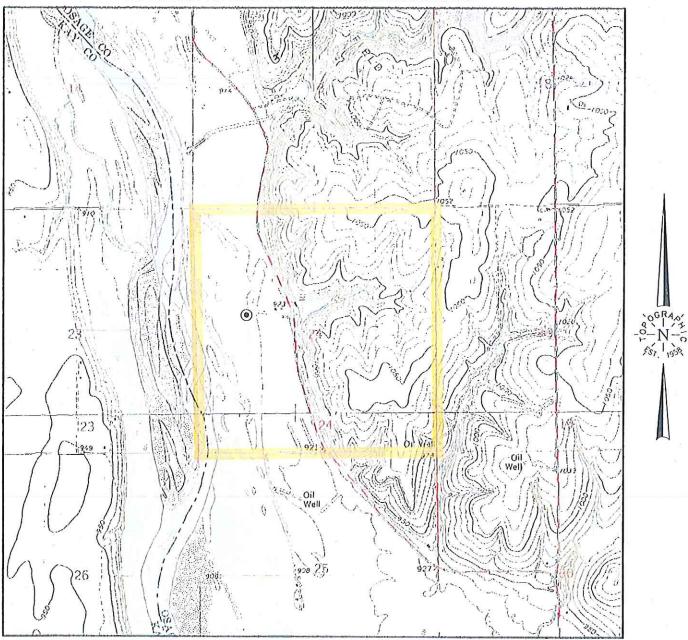
Oklahorna Reg. No.



#### TOPOGRAPHIC AND SURVEYORS OF OKI HOMA

6709 North Classen Blvd. Oklahoma City, OK 73116 www.topographic.com Telephone Numbers: Local (405) 843-4847 Toll Free (800) 654-3219

#### LOCATION & ELEVATION VERIFICATION MAP



Sec. 24	Twp	25N	Rng	2E
County	OSAGE		_State	OK
Operator	CRECO, L	LC		
Description_	2274'FNL	- 11	24'FWL	
Lease	TREMORS	3-24		·
Elevation		at Sta	ake	
U.S.G.S. Topograp Quadrangle Map	PONC	CA CIT	Y SE, OK	6 Various

Above Background Data from U.S.G.S. Topographic Map Scale: 1"=2000'

Contour Interval \_\_\_\_\_10'

This location has been very carefully staked on the ground according to the best official survey recerds, maps and photographs available to us, but its accuracy is not guaranteed. When elevation is shown hereon it is the ground elevation of the location stake
Review this plat and inform us immediately of any possible discrepancy

### TOPOGRAPHIC

SURVEYING . MAPPING . GIS . GPS

and surveyors of oxlanoma

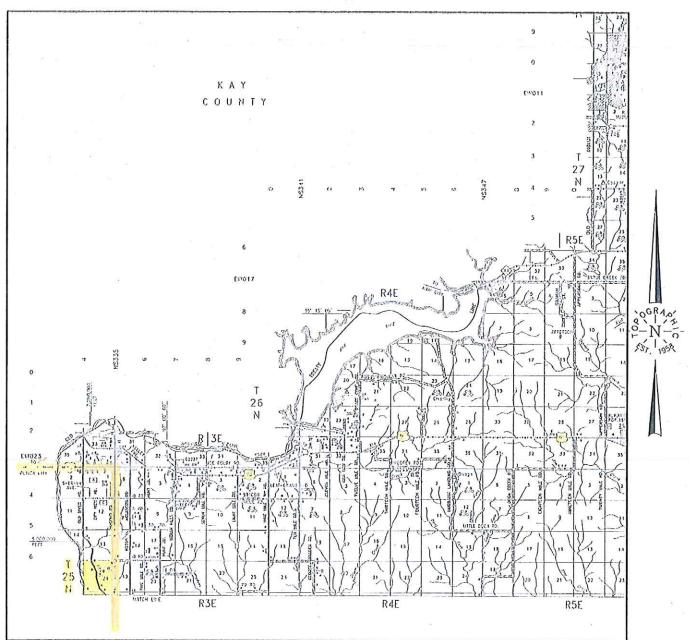
TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

Surveying and Mapping for the Energy Industry

6709 North Classen Blvd. Oklahoma City, OK 73116 www.topographic.com

Telephone Numbers: Local (405) 843-4847 Toll Free (800) 654-3219

#### VICINITY MAP



Scale: 1" = 3 Miles

Sec	24	Twp	25N	Rng	2E	_
County.		OSAGE		State	OK	
Operato	nr	CRECO, L	LC_			



LAND SURVEYORS OF OKLAHOMA

# BCS

### Archeological Survey Report on the Cardinal River Energy I LP SE Ponca City Block Area Study Osage County, Oklahoma

BCS Project Number: 22-10

Prepared For: Cardinal River Energy I LP Project Name: SE Ponca City Block Area Project Location: Section 24, T25N, R2E

USGS Ponca City 7.5 min.

Land Status: Osage Nation (minerals), Private Unrestricted Surface

Surveyed By: James Briscoe and Brian Rooney

April 27-29, 2010

Report By: James Briscoe and Brian Rooney

April 30, 2010

#### NOTICE

This report was prepared for agency review and is not intended for public use. Disclosure of site locations is prohibited. If information is to be released to the general public, all maps and references to site locations must first be removed. Permission must also be sought from Cardinal River Energy I LP and the BIA.

#### Introduction

An archeological survey of the Cardinal River Energy I LP SE Ponca City Block Area Study was performed between April 27 and 29, 2010, by James Briscoe (Senior Archeologist) and Brian Rooney (Archeologist) of BCS. The project is located within the Osage Nation approximately four and a half miles southeast of Ponca City, in Osage County, Oklahoma.

The archeological survey consisted of a standard Class III Cultural Resources Inventory and was performed at the request of Jay Jimerson of Cardinal River Energy I LP. Mr. Jimerson can be reached at (405) 606-7481, 210 Park Ave., Suite 1140, Oklahoma City, OK 73102. BCS performed an archeological survey of the SE Ponca City Well in the NE/NW ¼ of Section 24, in November of 2009. Based on potential production from that well (now being completed), as many as 8 additional wells may be drilled in the west half of Section 24. The purpose of these investigations was to cover the entire area that could be affected by further drilling, to ensure that area resources would not be affected by the proposed project.

The block area is located in a wheat field on the east bank of the Arkansas River and encompasses about 110 acres (the NW/NW ¼, SW/NW ¼ and NW/SW ¼) in Section 24, T25N, R2E.

One isolated piece of fire cracked rock was observed on the surface approximately 20 meters east of a modern artificial levee. A farmstead locality, 34OS923, was located during the earlier investigations approximately 500 meters east of the current study area. Although the farmstead is associated with persons prominent in Osage and Ponca City Society, physical disturbance to the site (estimated to be >75%) precludes the site from inclusion to the National Register under Criteria C or D. The site will not be impacted by activity in the block study area and no further archeological concerns are being recommended for the study area.

This recommendation is subject to the approval of the Land Manager.

#### Proposed Action

BCS performed an archeological survey of the SE Ponca City Well in the NE/NW ¼ of Section 24 in November of 2009. Based on potential production from that well (now being completed), as many as 8 additional wells may be drilled in the west half of Section 24. The purpose of these investigations was to cover the entire area that could be affected by further drilling, to ensure that area resources would not be affected by future developments in the block area. Specific well locations and details will be submitted with official APD applications as needed.

For archeological purposes, roughly 110 acres encompassing the NW/NW ¼, SE/NW ¼ and NW/SW ¼ of Section 24 were included in these investigations. Production lines from any wells completed in the block area will be tied to a production line for the SE Ponca City Well. Access routes will also begin at the existing well or will be made from River Road on the east side of the block area.

#### Prefield Investigations and Records Check

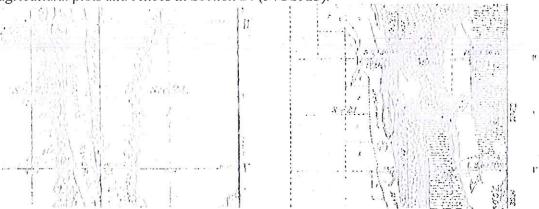
The Oklahoma Archeological Survey in Norman was visited on November 20, 2009, prior to the earlier survey. According to OAS records, two sites are located within a mile of the project area. 34KA330 is located approximately one mile from the project location. It is a lithic scatter that also includes some sherds of historic crockery and glass. 34KA331 is a prehistoric lithic scatter that is located .85 miles from the project area. Both sites are located across the river from the project. A large number of pipelines, buried cable lines and Ponca Housing/tract projects are depicted on the OASO maps, across the river from the project.

According to the Osage Allotment Maps Index, the original land allotment for the project area was granted to Mary Louise Soldani Niemann. She is the daughter of Anthony Soldani, born in 1887, married D. G. H. Niemann, and died at the age of 22 in 1909. The Neiman home was located in Ponca City. Her father, Godance Soldani, was a successful rancher in Osage and Kay Counties and Master Mason at the Ponca City Lodge. Her uncle, Sylvester J. Soldani was a Democratic State Senator for the state of Oklahoma. Her father's home in Ponca City was built in 1925 and is listed on the NRHP. It is currently being used as the town's art center.

The National Register of Historic Places was also consulted. No sites on the Register are located in the immediate project vicinity. The SHPO listing of sites determined eligible for inclusion, but not nominated was also consulted. No eligible properties are listed in the immediate area. There are a number of properties listed on the Register across the river in Kay County and within Ponca City proper. There are also a number of properties listed on the OHS Determination of Eligibility listings in the same general area. None of these sites are located within a mile, or visible from the project area and sites either on or eligible for inclusion to the NRHP will be disturbed physically or visually by the project.

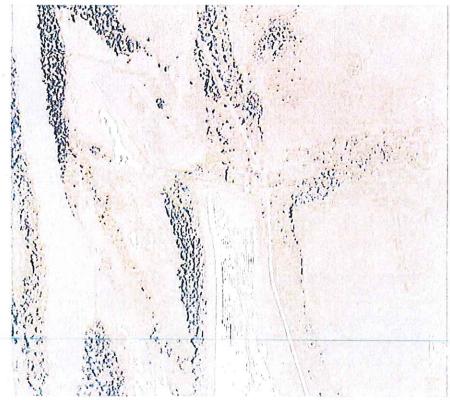
There are no known or anticipated sacred or culturally sensitive sites that fall under the American Indian Freedom of Religion Act located in the immediate project area. The OASO map also contains a notation about a 'partial burial' found in 1973 about a mile north of the project. There is no other information about the locality, which will not be disturbed by any activity in the current study area. A copy of this report is being forwarded to the Osage Nation for comments.

The 1871 and 1908 GLO plat maps from the area were also consulted. The 1871 map does not show any activity in the area. The 1908 map shows roads, two structures, agricultural plots and fences in Section 24 (34OS923).



GLO plat map Section 26, T28N, R5E (1871 on left and 1908 on right)

The photographic archives at the Oklahoma Geological Survey were also consulted. The 1938 aerial photograph shows a farmstead (34OS923) on the west side of River Road.



1938 aerial photograph of the general project area. (Oklahoma Geological Survey Collection)

#### Legal Description

The existing well (SE Ponca City) is located in the NE ¼ and the NW ¼ of Section 24, T25N, R2E. The block area encompassing the present study area includes the NW/NW ¼, SE/NW ¼ and NW/SW ¼ of Section 24, T25N, R2E. Specific well locations and details will be provided with any APD submitted for future drilling.

#### USGS Map Source

The well pad location is located on the Ponca City 7.5 minute quadrangle 1968 (1979).

#### Land Jurisdiction

The project is located on private unrestricted surface land within the Osage Nation in Osage County, Oklahoma. Mineral rights are owned by the Osage Nation and managed by the BIA, Osage Agency.

#### Project and Inventory Area

The block area encompassing the present study area includes the NW/NW ¼, SE/NW ¼ and NW/SW ¼ of Section 24, T25N, R2E.

#### **Environmental Description**

The project area is located along the border of the Central Red Bed Plains and the Northern Limestone Cuesta Plains geomorphic provinces and Tall Grass Prairie natural resource area. The study area is located on the floodplain and first terrace on the east side of the Arkansas River. The area is currently in wheat cultivation (average surface exposure of 50%) in an area with deep silt loam deposits. Two small remnants of natural levee terraces exist on the west edge of the study area, outlining older channel courses of the river across the tract. Shovel tests on the terraces showed over a meter (depth of the tests) of loose river sand. Both levee remnants have deep deposits of coarse to fine river sand and are covered by old growth forest. Both terraces have extensive borrow pits used to create two modern levees built along the river bank. The Arkansas River flows through a broad channel with numerous small to large sand and gravel bars. The channel has steep banks showing a 10-meter profile of sand and silt deposits with occasional small chert cobbles.

The bluff line east of the site has a steep sandstone and limestone face 40 feet high, below a gentler slope to 140 feet above the valley terraces. A small amount of coarse chert was noted along the base of the bluff. Mixed woods (walnut, clm, chinaberry, cottonwood and oaks) line the base of the bluff, levee terraces and margins of the river. The edge of the third or high terrace is located about 200 feet west of the existing well pad and an older river channel scar is visible just below the higher terrace.



Close inspection around Isolated Find Spot (standing shovel), looking south.

Zone 14 0674524E/4055638N, NAD 1927



Arkansas River and cut bank, looking north. Zone 14 067450E/4055180N

#### Field Methodology

The block inventory area was covered by roughly parallel traverses walked in an ambling zigzag fashion down and back. Spacing between the traverses was approximately 15 meters. Areas with surface visibility such as cow paths and cut banks were closely inspected. Shovel tests were excavated along the levee terraces. Each shovel test 50 X 50 cm hole dug to between 100 and 125 cm deep (as deep as was possible with the shovel). Fill from each test was hand sifted through ¼ inch hardware cloth before backfilling. A Garmin GPSmap76Cx in combination with the pertinent topographic map and compass were used to pinpoint the tests and all points of archeological interest. The GPS receiver was set to the NAD 1927 datum for correlation with USGS quadrangle maps.

Survey conditions were mild, sunny to overcast and there were no impediments to the survey.

#### Paleontological Resources

No paleontological resources were located during the course of this survey. Quaternary fossils are common in riverbed deposits in the region.

#### Native American Concerns

No known areas that would fall under the realm of the American Indian Freedom of Religion Act, Native American Graves Protection and Repatriation Act, and other State and Federal guidelines protecting graves and sacred areas are located in the immediate project area. The OASO map also contains a notation about a 'partial burial' found in 1973 about a mile north of the project. There is no other information about the locality, which will not be disturbed by the current project. This report is being forwarded to the Osage Nation for comments.

#### Cultural Resources

No cultural resources were located in the immediate project area. One farmstead, 34OS923, was located by BCS, just east of the present study area and south of the existing well pad location.

#### 34OS923

This is a home site on the primary allotment of Mary Louise Soldani (Osage Roll #1907) from the 1907 allotments. Mary Louise married Dr. G.H. Nieman in 1907 and died in child birth in 1909 at the age of 22 years. Dr. Nieman maintained a practice in Ponca City at the time and it is doubtful if the family ever lived on the property. Mary Louise's father, Anthony Godance Soldani, was a prominent businessman in Ponca City and had built a large home across the river from this particular allotment. Mr. Soldani was part Osage and married into a prominent Osage family (the Fronkiers). Soldani was a prosperous rancher in the region and died in 1965 as the oldest Osage tribal member. The Soldani Family maintained a large ranching operation in Kay and Osage Counties, but lived in the Ponca City area. The allotments issued to each of the family members were concentrated along the Arkansas River, where tenants lived to manage the ranching operations. The Soldani Family was one of the most prominent in Ponca City Society and the Soldani Mansion is now the Ponca City Art Museum. The Osage property passed through several hands (including the Donahoe Family, another prominent Ponca City family) and is now the farm of the Leonard Epperson Family.

The site is located on a higher third terrace at the base of the Arkansas River valley wall, facing the river to the west. The site has been mostly cleaned up by the present owner, with a new barn and plans to build a new home on the site. Evidence of five earlier structures and one concrete footing from a circa 1960s pole barn remain visible in the area. The house site had collapsed earlier and was burned in recent years by Mr. Epperson. A roughly 20 X 30 foot rectangular area (recently bladed) marks the site of the old house. A small outbuilding (roughly 10 X 10 feet) is faintly visible between the only 2 older trees on the property (a possibly 400 year old elm and a larger walnut) about 20 feet to the northwest, on the edge of the high terrace.

Careful scrutiny of domestic trash, extending for 200 X 500 feet around the structures, dates the site from the 1920s to the present. Materials observed include clear, aqua, brown and green bottle glass; white ointment jar glass, iron box and barrel straps, Coffeyville stamped paving brick, thicker 'hotel ware' white ironstone, brown/black crockery, building hardware fragments (hinges, window latch, corrugated tin, cement and concrete fragments, wire nails, and common head style screws), miscellaneous scrap metal (copper plate, iron and sheet tin), a horseshoe, bovid and pig bone fragments, and a miniature war club head. Common makers marks on glass are Owens-Illinois (letter O, and I over a diamond), Anchor-Hocking (anchor and H mark), Hazel-Atlas (H over A mark), 'no return' embossing and various 'Mason's/Ball fragments. The general date range of the marks is roughly 1920s to 1960s.



Miniature war club head(?). (scale is 5 cm long)

The site is associated with people important within the Osage and Ponca City communities. Their involvement with the actual farmstead was managerial at most and the site does not appear to be eligible for inclusion to the NRHP under Criteria B. No monumental or noteworthy historical events, with the possible exception of introducing alfalfa to the area, occurred at the site (NRHP, Criteria A) and the site does not engender any particular or unique style or type of site (Criteria C), particularly with all standing structures having been torn down. From the archeological standpoint (Criteria D), the site has been heavily disturbed (>75%) and engenders little further archeological interest. Similar sites on Pottawatomi (Wallis 1999) and Arapaho (Briscoc and Bussey 1988) allotments received extensive Phase II investigations. Information gleaned from both of these sites did little to expand our knowledge of Native American Americanization and neither site was considered eligible for inclusion to the Register. 34OS923 does not appear to meet any of these criteria.

#### Isolated Find

This is a single fragment of burnt sandstone, found on the edge of a modern levee. A careful search of the surrounding area and excavation of two shovel tests in proximity to the artifact failed to locate additional cultural material. The fill for the levee came from one of two large borrow pits that were excavated from two natural levee terraces adjacent to the modern levee. It is likely that the artifact came from one of the two borrow pits. A shovel test was excavated into the bottom of one of the pits (closest to the find spot) but only modern silt and leaf debris was located in the test. It is possible that the fragment of sandstone was originally a river cobble and could have been burnt/fire cracked by a surface fire at some point in the past. The absence of other burnt rock and/or artifacts suggests the same.

The artifact does not appear to be significant but could indicate a deeply buried site along the natural levee. Any further oilfield activity in the area would logically avoid the modern levee and the find will not be disturbed further.

#### Recommendations

The existing well pad and access road are located about 200 meters north of the site (34OS923) and have not disturbed it. The block area study included the property west of the site and any activity in that area will not disturb the site further. The isolated find is located on the edge of a modern flood control levee and any future oilfield activity will avoid the isolated find and no adverse effects will occur. No further archeological concerns appear to be warranted and none are being recommended.

This assessment is subject to the approval of the Land Manager.

#### Professional Estimations

In the professional opinion of James Briscoe, Principal Investigator, these investigations and recommendations comply with Federal guidelines and standards for archeological performance in the State of Oklahoma.

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### Cardinal River Energy I LP Block Area Osage County, Oklahoma

